

# House File 687 - Introduced

HOUSE FILE 687

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 538)

(SUCCESSOR TO HSB 163)

## A BILL FOR

1 An Act relating to the powers and governance of benefited  
2 recreational lake districts, water quality districts, and  
3 combined recreational lake and water quality districts.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 357E.1, subsection 3, Code 2011, is  
2 amended to read as follows:

3 3. "*District*" means a benefited recreational lake district  
4 or a water quality district or a combined district incorporated  
5 as a public entity and organized pursuant to this chapter.

6 Sec. 2. Section 357E.9, Code 2011, is amended to read as  
7 follows:

8 **357E.9 Trustees — term and qualification.**

9 1. a. At the election, the names of at least ~~three~~ seven  
10 candidates for trustee shall be written in by the voters on  
11 blank ballots without formal nomination and the board of  
12 supervisors shall appoint ~~three~~ seven from among the ~~five~~ nine  
13 receiving the highest number of votes as trustees for the  
14 district. ~~One trustee~~ Three trustees shall be appointed to  
15 serve for one year, ~~one~~ two for two years, and ~~one~~ two for three  
16 years. The trustees shall give bond in the amount required by  
17 the board, the premium of which shall be paid by the district.  
18 The trustees must be residents of the district or be property  
19 owners within the district. Vacancies shall be filled by  
20 election, but if there are no candidates for a trustee office,  
21 the vacancy may be filled by appointment by the board. The  
22 terms of the succeeding trustees are for three years.

23 b. For districts in existence on July 1, 2011, the number  
24 of trustees, other than those appointed under subsection 2,  
25 shall be increased from three trustees to seven trustees. For  
26 the initial seven-member board under this paragraph, the board  
27 of supervisors shall appoint four trustees. One trustee shall  
28 be appointed to serve for one year, one for two years, and two  
29 for three years. The term of each trustee appointed under this  
30 paragraph shall expire on the same date as the term of the  
31 current trustee whose term expires during the same year.

32 2. If the state owns at least four hundred acres of land  
33 contiguous to a lake within the district, the natural resource  
34 commission shall appoint two members of the board of trustees  
35 in addition to the ~~three~~ seven members provided in this

1 section. The additional two members must be citizens of the  
2 state, not less than eighteen years of age, and property owners  
3 within the district. The two additional members have voting  
4 and other authority equal to the other members of the board and  
5 hold office at the pleasure of the natural resource commission.

6 Sec. 3. Section 357E.11, Code 2011, is amended to read as  
7 follows:

8 **357E.11 Bonds in anticipation of revenue.**

9 A district, other than a combined district, may anticipate  
10 the collection of taxes by the levy authorized in this chapter,  
11 and to carry out the purposes of this chapter may issue bonds  
12 payable in not more than twenty equal installments with the  
13 rate of interest not exceeding that permitted by chapter 74A.  
14 An indebtedness shall not be incurred under this ~~chapter~~  
15 section until authorized by an election. The election shall be  
16 held and notice given in the same manner as provided in section  
17 357E.8, and the same majority vote is necessary to authorize  
18 indebtedness. Both propositions may be submitted to the voters  
19 at the same election.

20 Sec. 4. NEW SECTION. **357E.11A Bonds and indebtedness —**  
21 **combined districts.**

22 1. A combined district may borrow money for its corporate  
23 purposes, but shall not become indebted in any manner or  
24 for any purpose to an amount in the aggregate exceeding  
25 five percent on the value of the taxable property within the  
26 district, to be ascertained by the last state and county  
27 tax lists previous to the incurring of the indebtedness.  
28 Indebtedness within this limit shall not include the  
29 indebtedness of any other municipal corporation located wholly  
30 or partly within the boundaries of the district.

31 2. A combined district shall have the same powers to issue  
32 bonds, including both general obligation and revenue bonds,  
33 that cities have under the laws of this state, including but  
34 not limited to chapter 76, section 384.4, and sections 384.23  
35 through 384.94. The bonds shall be made payable at the place

1 and be of the form as the board of trustees shall by resolution  
 2 designate. In the application of the laws to this section,  
 3 the words used in the laws referring to municipal corporations  
 4 or to cities shall be held to include combined districts  
 5 organized under this chapter; the words "council" or "city  
 6 council" shall be held to include the board of trustees of a  
 7 combined district; the words "mayor" and "clerk" shall be held  
 8 to include the president and clerk of a board of trustees; and  
 9 like construction shall be given to any other words in the laws  
 10 where required to permit the exercise of the powers by combined  
 11 districts under this section.

12 3. An indebtedness shall not be incurred under this section  
 13 until authorized by an election. The election shall be held  
 14 and notice given in the same manner as provided in section  
 15 357E.8, except that a proposition to authorize indebtedness is  
 16 approved if sixty percent of those voting on the proposition  
 17 vote in favor of the proposition. A proposition for the  
 18 authorization of indebtedness may be submitted to the voters at  
 19 the same election as the election under section 357E.8.

20 EXPLANATION

21 This bill makes changes to Code chapter 357E relating to  
 22 benefited recreational lake districts, water quality districts,  
 23 and combined recreational lake and water quality districts.

24 The bill specifies that districts under Code chapter 357E  
 25 are incorporated as public entities.

26 The bill increases from three to seven the number of trustees  
 27 on the board governing a benefited recreational lake district,  
 28 water quality district, or combined recreational lake and  
 29 water quality district, other than the two trustees who may  
 30 be appointed by the natural resource commission if the state  
 31 owns a certain amount of land contiguous to a lake within the  
 32 district. The bill makes corresponding changes to the trustee  
 33 selection procedure for newly established districts.

34 The bill also provides that for districts in existence on  
 35 July 1, 2011, the board of supervisors is required to appoint

1 four additional trustees. One trustee shall be appointed to  
2 serve for one year, one for two years, and two for three years.  
3 Following expiration of those initial appointments, vacancies  
4 are filled by election.

5 Current law requires trustees to be residents of the  
6 district. The bill would also allow property owners within the  
7 district to serve as trustees.

8 The bill amends Code section 357E.11, relating to a  
9 district's authority to issue bonds in anticipation of revenue  
10 to specify that only those districts that are not combined  
11 recreational lake and water quality districts may issue bonds  
12 under that Code section.

13 New Code section 357E.11A authorizes combined recreational  
14 lake and water quality districts to issue bonds, including  
15 both general obligation and revenue bonds, in the same manner  
16 as cities. The bill provides that such bonds must be payable  
17 at the place and be of the form designated by the board  
18 of trustees. The bill provides, however, that a combined  
19 recreational lake and water quality district may not incur  
20 an indebtedness until authorized by an election where 60  
21 percent of those voting on the proposition vote in favor of the  
22 proposition.